UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/50/11/Add.1
11 March 1996

ORIGINAL: ENGLISH

Fiftieth session

REPORT OF THE COMMITTEE ON CONTRIBUTIONS*

* The present document is a mimeographed version of the report of the Committee on Contributions on its special session. The final report will be issued as Official Records of the General Assembly, Fiftieth Session, Supplement No. 11 A (A/50/11/Add.1).

96-05941 (E) 130396

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I. ATTENDANCE

1. The special session of the Committee on Contributions was held at United Nations Headquarters from 26 February to 1 March 1996. The following members were present: Mr. Alvaro Gurgel de Alencar, Mr. Pieter Bierma, Mr. Uldis Blukis, Mr. Sergio Chaparro Ruiz, Mr. David Etuket, Mr. Neil Francis, Mr. Igor V. Goumenny, Mr. William K. Grant, Mr. Masao Kawai, Mr. Li Yong, Mr. Vanu G. Menon, Mr. Atilio N. Molteni, Mr. Mohamed Mahmoud Ould Cheikh El Ghaouth, Mr. Ugo Sessi, Mr. Agha Shahi, Mr. Omar Sirry and Mr. Adrien Teirlinck. Mr. Yuri A. Chulkov and Ambassador Amjad Ali, who is a member emeritus of the Committee, were not able to attend.

2. The Committee decided to retain the bureau elected at its fifty-fifth session.

II. TERMS OF REFERENCE

3. The special session of the Committee was convened pursuant to General Assembly resolution 50/207 of 23 December 1995. The Committee conducted its work on the basis of the provisions of that resolution and its general mandate, as contained in rule 160 of the rules of procedure of the General Assembly.

4. The Committee had before it General Assembly resolution 50/207, the summary records of the meetings of the Fifth Committee at the fiftieth session relating to the item entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/50/SR.4-10, 43 and 44) and the relevant report of the Fifth Committee to the General Assembly (A/50/843).

5. General Assembly resolution 50/207 reads:

> "The General Assembly,
>
> "Noting the requests by Azerbaijan, Comoros, Georgia, Kyrgyzstan, Latvia, Liberia, Sao Tome and Principe, Tajikistan and Turkmenistan that, as an exceptional measure, any arrears in respect of assessed contributions for the regular budget of the United Nations, peace-keeping operations or international tribunals as at 1 January 1996 and for 1996 be treated as being attributable to conditions beyond their control and that, accordingly, the question of the application of Article 19 of the Charter of the United Nations should not arise,
>
> "1. Recognizes the importance of requests with respect to the application of Article 19 of the Charter of the United Nations being considered by the Committee on Contributions in accordance with rule 160 of the rules of procedure of the General Assembly;
>
> "2. Requests the Committee to hold a special session of one week's duration as early as possible in 1996 to consider representations from Member States with respect to the application of Article 19 of the Charter and to report thereon to the General Assembly at its resumed fiftieth session pursuant to rule 160 of the rules of procedure;
>
> "3. Invites Member States to submit detailed information to the Committee in explanation of their requests as soon as possible so as to facilitate the work of the Committee;
>
> "4. Decides to consider the report of the Committee on this matter as early as possible during its resumed fiftieth session."

III. CONSIDERATION OF REPRESENTATIONS FROM MEMBER STATES WITH RESPECT TO THE APPLICATION OF ARTICLE 19 OF THE CHARTER PURSUANT TO GENERAL ASSEMBLY RESOLUTION 50/207

6. The Committee had before it written representations from the Dominican Republic, Georgia, Iraq, Latvia, Liberia, the Republic of Moldova, Rwanda, Tajikistan and Yugoslavia. It received and granted requests for oral representations from Georgia, Kyrgyzstan, Latvia, Liberia and Tajikistan. In addition, the Secretariat provided statistical data on the Member States whose requests were being considered.

7. The Committee received a written representation from Comoros on the last day of its special session and consequently was unable to consider it.

8. The Committee noted that Azerbaijan, Sao Tome and Principe and Turkmenistan, although mentioned in General Assembly resolution 50/207, had not made written or oral representations pursuant to that resolution and that Azerbaijan and Turkmenistan had subsequently made payments sufficient to avoid the application of Article 19 of the Charter in 1996. Therefore, the Committee was not in a position to advise the General Assembly with regard to the application of Article 19 of the Charter for Sao Tome and Principe.

A. General considerations

9. The Committee had a wide-ranging discussion of its role in advising the General Assembly on the application of Article 19 of the Charter pursuant to rule 160 of the rules of procedure of the General Assembly and the provisions of Assembly resolution 50/207. During the discussion, it considered past action by the General Assembly and by the Committee with regard to this question, as well as the representations before the Committee at its special session.

10. The Committee agreed that, as a technical body, its main task in advising the General Assembly on the action to be taken with regard to the application of Article 19 of the Charter was to consider whether the failure of a particular Member State to pay the amount needed to avoid the loss of the right to vote was due to conditions beyond its control.

11. The Committee noted that the General Assembly had waived the application of Article 19 of the Charter in relatively few cases. It was noted that generally the duration of such waivers had been short and that they were followed by receipt of the necessary minimum payments within a limited time. The Committee stressed the need to apply a stringent standard to requests under Article 19 of the Charter for permission to vote. The Committee also emphasized the importance of the obligation to pay all assessed contributions in full and on time.

12. A number of Member States whose representations were before the Committee indicated their commitment to pay their arrears to the Organization and included proposals to do so over a number of years. The Committee discussed the question of multi-year payment plans as a means of reducing the problem of arrears. It noted that a number of organizations of the United Nations system had made formal provision for such payment plans with the specific approval of their governing bodies. The Committee recognized that such payment plans could prove to be a valuable tool in reducing the number of Member States falling under the

provisions of Article 19 of the Charter, as well as in improving the financial situation of the Organization. It also recognized, however, that the question of payment plans and the terms and conditions to be applied to such plans went beyond its terms of reference.

B. Representations made to the Committee

1. Dominican Republic

13. At its fifty-fifth session, the Committee had before it a letter dated 5 December 1994 from the President of the General Assembly concerning the request, under Article 19 of the Charter, by the Permanent Representative of the Dominican Republic on the subject of his country's arrears.

14. The Government of the Dominican Republic had requested the General Assembly, pending a decision by the Security Council on its request for compensation under Article 50 of the Charter and citing the economic losses sustained as a result of United Nations sanctions against Haiti, to waive the application of Article 19 of the Charter.

15. The Committee had concluded at that time (A/50/11, para. 61) that more recent statistical data on the current financial and economic situation of the Dominican Republic would be necessary to determine whether the inability to pay still existed, and decided to advise the General Assembly accordingly. At its special session, the Committee had before it the text of a letter dated 26 September 1995 from the Permanent Mission of the Dominican Republic to the Committee, transmitting a report from the Central Bank of the Dominican Republic covering the period since the lifting of the embargo against Haiti.

16. The Committee noted that the report of the Central Bank included data for the period to the end of 1994, as compared to data for the period ending 31 October 1994 that had been available to it at its fifty-fifth session. It also noted that sanctions against Haiti had been lifted in September 1994 and that the information provided in the report indicated favourable trends in a number of economic indicators, including real gross domestic product, tax revenue and merchandise exports.

17. While recognizing the burdens suffered by the Dominican Republic as a result of sanctions against Haiti, the Committee concluded that the information available did not provide a basis on which it could advise the General Assembly that the Dominican Republic's failure to pay the minimum amount required to avoid the loss of its vote under Article 19 of the Charter was due to conditions beyond its control. The Committee again stressed that the question of compensation under Article 50 of the Charter was beyond its competence.

2. Georgia

18. The Committee had before it the text of a letter dated 29 January 1996 from the Permanent Representative of Georgia to the Secretary-General transmitting a letter of the same date from the Minister for Foreign Affairs of Georgia to the Secretary-General.

19. In its written and oral representations, Georgia made reference to the breakdown of existing economic links and the loss of markets following the collapse of the Soviet Union. It also referred to the armed conflict in its

territory and the resulting refugee problems. Hyperinflation, a dramatic decrease in the level of production, and soaring external debt were also cited.

20. Georgia indicated its intention of making a payment of $3,610,500 to the United Nations within a few months, having already obtained approval from its Parliament, and paying its debt completely within the next three years. The Committee noted with appreciation the intention, declared despite severe problems, to make within a few months the minimum payment necessary to regain the right to vote. The Committee recalled that the General Assembly had, on a number of occasions, agreed to the temporary waiver of the application of Article 19 of the Charter for countries in a similar situation, during a particular session and pending the receipt of the necessary payments.

3. Iraq

21. The Committee had before it the text of a letter dated 1 February 1996 from the Permanent Representative of Iraq to the Chairman of the Committee, in which Iraq indicated that it was unable to pay its contributions to the United Nations owing to the imposition of comprehensive sanctions by the Security Council and the freezing of its foreign assets.

22. The Committee recalled that it had considered similar representations from Iraq at its fifty-fifth session and that members of the Committee had divergent views on the merits of Iraq's request for a waiver of the application of Article 19 of the Charter on the grounds that its failure to pay its assessed contributions was due to conditions beyond its control.

23. Members of the Committee continue to have divergent views on the question and the Committee is thus unable to recommend action to the General Assembly on the request of Iraq.

4. Kyrgyzstan

24. The Committee heard an oral representation by the representative of Kyrgyzstan, in which reference was made to the serious financial difficulties of Kyrgyzstan, its over-assessment under the current scale of assessment and the necessity to sustain at least a minimum level of social provision. Despite those difficulties, Kyrgyzstan had made the necessary payment to avoid the application of Article 19 of the Charter in 1996. It foresaw future problems, however, and referred to the possibility of submitting a multi-year plan for payment of its arrears to the General Assembly at its fifty-second session.

25. The Committee noted that Kyrgyzstan did not fall under the provisions of Article 19 of the Charter in 1996 and that, therefore, no action was required by the General Assembly.

5. Latvia

26. The Committee had before it the text of a note verbale dated 14 February 1996 from the Permanent Representative of Latvia to the Chairman of the Committee. It also heard an oral representation by the Permanent Representative of Latvia.

27. In its representation, Latvia pointed to its over-assessment, dating back to 1991, the current economic situation of the country, with falling real gross domestic product and a recent banking crisis, and severe restrictions on the budget of the Ministry of Foreign Affairs, given other pressing humanitarian and social needs. Latvia, therefore, proposed a payment plan which it estimated would settle its arrears within seven years.

28. Having reviewed the information provided by Latvia, as supplemented by information provided by the Secretariat, the Committee was unable to reach agreement on a recommendation to the General Assembly that Latvia's failure to pay the necessary amount to avoid the application of Article 19 of the Charter was due to conditions beyond its control.

6. Liberia

29. The Committee had before it the text of a note verbale dated 22 February 1996 from the Permanent Representative of Liberia to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Liberia.

30. Liberia outlined the devastating effects of the civil war experienced since 1989. Loss of life and property had accompanied the disruption of all economic activities, and revenue from the maritime programme had been partly attached by external creditors. Efforts at a peaceful solution and democratic elections were proceeding. Liberia recognized its obligation to pay its arrears as soon as the situation of the country was normalized, and indicated its intention to settle its arrears at that time or reach an understanding with the Organization regarding a phased liquidation thereof.

31. The Committee agreed that the failure of Liberia to pay the amount necessary to avoid the application of Article 19 of the Charter was due to conditions beyond its control. It, therefore, recommends to the General Assembly that Liberia be permitted to vote. As indicated above, the Committee believes that such waivers should be time-limited. Accordingly, it recommends that the waiver extend until the fifty-first session of the General Assembly and be subject to review before any further extension.

7. Republic of Moldova

32. The Committee had before it the text of a letter dated 21 February 1996 from the Permanent Representative of the Republic of Moldova to the Chairman of the Committee, in which reference was made to the serious economic problems facing the Republic of Moldova stemming from dislocation following the disintegration of the former Soviet Union and the process of economic and social reform, and from natural disasters and armed confrontation, all of which had contributed to a reduction of production, rampant inflation and a shortage of hard currency. Despite those problems, the Republic of Moldova had made the necessary payment to avoid the application of Article 19 of the Charter in 1996. It foresaw future problems, however, and proposed a payment schedule over a period of seven years to eliminate its arrears of payments to the United Nations.

33. The Committee noted that the Republic of Moldova did not fall under the provisions of Article 19 of the Charter in 1996 and that, therefore, no action was required by the General Assembly.

8. Rwanda

34. The Committee had before it the text of a note verbale dated 27 February 1996 from the Permanent Representative of Rwanda to the President of the General Assembly.

35. Rwanda recalled that, between 1990 and 1994, it had suffered genocide affecting one eighth of its population and that its economy had been destroyed. Efforts at national reconstruction were proceeding and, in the meantime, Rwanda requested that the provisions of Article 19 of the Charter should be waived. Data provided by the Secretariat highlighted the extreme economic difficulties faced by Rwanda.

36. The Committee agreed that Rwanda's failure to pay the amount necessary to avoid the loss of its vote under Article 19 of the Charter was due to conditions beyond its control. It, therefore, recommends to the General Assembly that it permit Rwanda to vote. As indicated above, the Committee believes that such waivers should be time-limited. Accordingly, it recommends that the waiver extend until the fifty-first session of the General Assembly and be subject to review before any further extension.

9. Tajikistan

37. The Committee had before it the text of a note verbale dated 14 February 1996 from the Permanent Representative of Tajikistan to the Committee. It also heard an oral representation by the representative of Tajikistan.

38. Tajikistan made reference to the civil war and natural disasters that had affected the country between 1992 and 1994, resulting in serious loss of life, displacement of people and destruction of productive capacity. Consequently, Tajikistan was having to devote all available resources to national reconstruction. It was therefore requesting that the provisions of Article 19 of the Charter should not be applied, although, as the country's financial and economic situation improved, the Government would make every effort to pay its outstanding contributions to the United Nations.

39. Some members were of the opinion that Tajikistan's failure to pay the amount necessary to avoid the application of Article 19 of the Charter was due to conditions beyond its control and that it should therefore be permitted to vote. Other members, although recognizing the difficult situation facing Tajikistan, were not fully convinced that it constituted conditions beyond the control of the Member State in accordance with Article 19.

40. The Committee was, therefore, unable to recommend any action to the General Assembly in this respect. It was agreed, however, that the situation of Tajikistan should be reviewed at the fifty-sixth session of the Committee on the basis of any new information that might be available, either from Tajikistan or from other sources.

10. Yugoslavia

41. The Committee had before it the text of a letter dated 22 February 1996 from the office of the President of the General Assembly to the Secretary of the Committee, transmitting a representation in respect of Yugoslavia, in which

reference was made to economic and financial problems stemming from economic sanctions imposed by the Security Council and the freezing of foreign assets.

42. The Committee recalled General Assembly resolutions 47/1 of 22 September 1992 and 47/229 of 29 April 1993 and decided to defer action on this request until such time as the pending succession issues with respect to the representation of Yugoslavia in the United Nations had been resolved.